GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2012
ANSWERED ON:26.07.2002
FERA CASES
SULTAN SALAHUDDIN OWAISI

Will the Minister of FINANCE be pleased to state:

e:

(a) whether as per the clause attached to the repealing of FERA, the Directorate of Enforcement should initiate investing and launching penal action on all forex offences, committed before May 31, 2002;

(b) if so, whether the Directorate of Enforcement has filed all the complaints pertaining to FERA;

(c) if so, the details thereof and if not, the reasons therefor;

(d) the number of cases left out in whose case the complaints were not filed;

(e) the number of persons got scot free due to not filing the case; and

(f) the total number of complaints pending before May, 2002 and number of them filed for investigation of penal action?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) : All cases of foreign exchange violations registered upto 31.5.2000 under the Foreign Exchange Regulation Act (FERA), 1973 were finalised during the period 01.06.2000 to 31.5.2002 by initiating penal proceedings under the FERA by way of either adjudication or prosecution. This was the `sun-set` period under sections 49 (3) and 49 (4) of the Foreign Exchange Management Act, 1999 which came into force from 01.06.2000 by repealing and replacing the FERA, 1973 w.e.f31.5.2000. Action regarding violation of foreign exchange regulations committed after 31.5.2000 is not possible under the Foreign Exchange Regulation Act, 1973 as that Act stood repealed on the said date.The violations occurring after 31.5.2000 are to be dealt with in accordance with the new Act, viz, the Foreign Exchange Management Act, 1999 which came into force w.e.f 01.6.2000.

(b) & (c) :Yes, Sir. All cases of violation of foreign exchange regulations under various provisions of the FERA 1973, which justified prosecution in terms of prima facie adequacy of evidence, were dealt with by filing prosecution before the expiry of the sun-set period provided under section 49(3) of FEMA,1999.

1235 cases of prosecution under the Foreign Exchange Regulation Act, 1973 werepending as on 31.5.2000. During the period 01.06.2000 to 31.5.2002, 1168 cases of prosecution were filed, out of which 131 complaints were disposed of by the courts concerned during the said period. Therefore, 2272 cases of prosecution under the Foreign Exchange Regulation Act, 1973 were pending as on 31.05.2002.

(d) : All cases of violation of provisions of the FERA 1973 registered upto31.5.2000 have been dealt with by the end of the sun-set period, in accordance with the provisions of the FERA,1973.

(e) : Nil.

(f) As on 31.5.2002, 2272 cases of prosecution under the provisions of the FERA,1973 were pending. As regards penal action by way of adjudication in cases of violation of the provisions of the FERA, 1973 registered upto 31.5.2000, 4503 cases of Show Cause Notices were pending as on 31.5.2000. During the period 1.6.2000 to 31.5.2002, 13,996 Show Cause Notices were issued under the FERA, 1973. Out of these 3091 Show Cause Notices were adjudicated. Thus, as on 31.5.2002, 15,408 cases of Show Cause Notices under the Foreign Exchange Regulation Act, 1973 were pending for adjudication.